G. R. S. IX-5]

Previous references.

LB 114-24 & 45151

Later references.

LB 11-31-1

6

1924.

(Loo)

File No. ~~HH-27~~ 515-26

Serial Nos 1-3

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for Aug 26

SUBJECT.

Advances made to the Agricultural Department by the ~~Boa~~ District Boards on account of Economic Development work

3	To.	The Comptroller to Govt; the Director of Agriculture the Deputy Commissioners of Districts and the Presidents of District Boards NDA 1461-781/A 26.8.26
		Issues instructions re accounting of Contributions by Local bodies to the Agricultural Department

WD 1688—GPB—16,826—28-7-21.

5.7.26

General and Revenue Secretariat

File No. 35 of 1926

Copies from L&S 114-24 48 251

Please peruse draft as instructed

Serial No

Draft put up with reference to para 24 of a copy of the Revenue Secretary's D.O. No. 13-3-26 is proposed to be sent as the best way of presenting the positions to the Govt for orders.

2nd Member 27/4

8742

28/4 Done Camp 8/4/26

To The Comptroller to Government
No. L 6511 dated 16-4-1926

Requests to send a trial report in re. the advances made to the Agricultural Department by the Local Boards on account of Development Work

from the Director of Agn
No. R.O.C 1818 & 21.5

In reply to this yours letter dated 16-4-26, submits the information called for.

29/ Reply from the Comptr may be awaited

28/5/26 30/ The Comptroller has been asked to send up a report. Cross the Director of Agriculture & Govt's D.O. Copy of the

NOTE—Contn. Sheet

General and Revenue Secretariat

LR, File No. 55 of 1926

Serial No.

Directions when may be sent to the Comptroller for his information as to the Rates of Residents, in which cases they may help them in obtaining their Rents (vide paras 14 & 24)

Asst Secretary

31/5

31 If Comptroller agrees Govt may approve & send GC & all Govting Dcrs in full in preamble & save further cons. nec. No opinion seems need from D-Bs

Ag
1/6/26

1.6.26

Forwarded, unofficially, with compliments, to the Comptroller to govt for a note with reference to para 31 supra.

By order

For Local & Legs. Secy

2/6

NOTE—Contn. Sheet

54013

W.O. No 491 L & A D dated 18th June 1926.

Note

For reasons stated in my reply No.1149 TAD.B. dated 28th March 1925 to Un-official ~~Mex~~ file No.73 (copy enclosed), no loans or advances should be received by the Agricultural Department from Local Bodies for incurring recoverable expenditure for which funds are provided in the Government Budget (e.g), for purchasing seeds, manure and implements for sale to cultivators). The Loans or Advances already received should be paid back to Local Bodies.

(2) Contributions payable by Local Bodies may be (i) in respect of final expenditure for purposes for which Government funds are not made available (ii) for augmenting the funds allotted by Government for final expenditure and (iii) for meeting any loss that might be sustained by Government in the free distribution of seeds &c or their distribution at concessional rates.

(3) The point for consideration is how such contributions have to be accounted for by the Agricultural Department and what accounts should be rendered by that department to Local Bodies.

(4) From a reference to the Director's letter as also to the Resolution of the District Board, Mysore, in regard to the utilization of the amount provided in their budget for Economic development work it will be seen that the main purposes, for which contributions are made by Local Bodies are (i) general demonstration work, for which funds are provided by Government also and (ii) sale of seeds, manure &c., either ~~of~~ free of cost or at concessional rates. Such contributions are generally made with the sanction of Government.

(5) The receipts of the Agricultural department are, in most cases, treated as deductions from expenditure and contributions from Local Bodies may also be treated as deductions from expenditure. Government while approving of the proposals of the Local Bodies for making necessary contributions, may authorise the Agricultural department to incur an additional expenditure to the extent of contributions from Local Bodies i.e., increase the Gross grant, the increase being covered by an excess of receipts; so that the net grant voted by the Legislature may not be exceeded. Under this arrangement, the

the Government accounts will show clearly (i) the entire amount spent in the State for development of Agriculture (whether from Government Funds or funds of Local Bodies) (ii) Receipts including contributions from Local Bodies and (iii) the net expenditure met by Government. This procedure is in vogue in the Education department which gets very large amounts in the shape of contributions from Local Bodies.

(6) In the case of sale of seeds &c either free of cost or at concessional rates, the contribution of Local Bodies will be only to the extent of loss sustained by the Agricultural department. The value of seeds and manure &c purchased by the department will be met out of funds allotted by Government under the Advance head, and the sale proceeds will also be credited to the same advance head. The contribution by Local Bodies on account of loss sustained in the transaction, has therefore to be credited to the Advance head.

(7) The Agricultural department will maintain Pro-forma accounts, for amounts received from Local Bodies, and amounts spent by the department, and will send to the Local Bodies periodically a copy of such accounts.

(8) The opening of a deposit account for such purposes will lead to confusion, and will also give room for indiscriminate handling of funds by the officers, who have to operate upon both the accounts, with ample scope for misuse (Vide also para 1 of my No.1149 TAD.B. dated 28th March 1928 placed in the file) which cannot be detected by this office, unless a detailed audit of the transactions(both receipts and payments) on account of Deposits and those on Government account is conducted simultaneously, by the Audit Office. Even if su an audit is conducted, it will not be possible for the audit staff to distinguish Government transactions from transactions of Local Bodies, both of which are almost for the same purpose.

(9) Considering the state in which accounts are at present maintained by the Agricultural department, I consider it desirable that the entire expenditure of the department (from whatever source incurred) is subject to the Central audit of this office.

3 4645/6357

(10) I would therefore suggest that the contributions from Local Bodies may be credited to Government (either to the credit of the Advance head or as deductions from expenditure under Service head) and that the gross grant in the budget may also be enhanced to the extent of contributions received from Local Bodies.

Comptroller.

213

24/ The above opinion of the Comptroller is subd with reference to para 31 supra

29/6 K 6358/6

Asst Member

28/7/26

75
21/7/26

Pursuh draft for consd'n as per Compt's opn

1439/4/8

H draft go. is put up as per Comptroller's opinion

1st Mem

The draft requires revision. Please consider & see me & submit thereafter

all arguments for & all conclusions last

FINANCIAL SECRETARY
10 AUG. 1926
NO. SECRETARIAT

AUG. 1926
H 403/26

GENERAL & REVENUE SECRETARIAT
17 SEP 1926
LOCAL SELF GOVT. BRANCH

General and Revenue Secretariat

WD.01264—GPB—40,000—17-12-25
App. F. III—2

LB File No. 6852 / 830 of 1926 6

Serial No.

7L 403/26

A revised draft is put up for consideration.

1949 / 16/8

First Member through Secy.

1/8/26

3

8/8

14.8.

17/8

8/8 1878

1878

3 L 1461-78 & 26.8.26

The comptroller & Govt

" Director of Agriculture

" Deputy Comrs & Distts

" Pts & Dist Boards.

Issues instructions for accounting for contributions and advances [illegible] Agricultural Debt from Local Bodies for Economic Development [illegible]

GENERAL & REVENUE SECRETARIAT
24 SEP 1926
LOCAL SELF GOVT. BRANCH

B 189

APP. F. VI. Gl.]

7

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 14/2/26

Signed by L.T.K.S.

List of enclosures.....

Copied by.....

Examined by.....

Section ~~483~~

File No. ~~3-25~~ 44-24 ~~53-24~~

Seria No. ~~4~~ 1

No. 26571

To The Comr

Subject

Accounting of the amount advances made to the AG Depr by the DC Bds on account of Economic Development work

Sir,

With reference to your No MA 576/LM 28 8.2.26 on the Subject above, I am directed to forward herewith a Copy of the Secd which by 13.3.26 and to request you to be so good as to send up a final

over

(12) 12/4

49564

Telegraphic Address "Agri., Bangalore."
Code-5th Edition A. B. C.

DEPARTMENT OF AGRICULTURE,
MYSORE STATE.

7445

9

In reply please quote in full the Nos. and indicative symbol given below.

Roc. 1818-A of 25-26.

Bangalore,

21st May 192 6.

FROM

G. H. KRUMBIEGEL, ESQ., F.R.H.S.,
OFFG. DIRECTOR OF AGRICULTURE IN MYSORE,
BANGALORE.

GENL. & REV. BRCH. 24 MAY 1926 G. D. SECTION.

GENERAL & REVENUE 63452 26 MAY 1926 LOCAL SELF GOVT. BRANCH

TO

Br.

Sir,

M. Nagappa, Esq., Bar-at-Law., 8356-26-2
Secretary to the Government of Mysore
Local and Legislative Departments. Bangalore.

With reference to your No.L.6512-20 dated 16-4-1926 forwarding for information copy of your letter No.L.6511 of the same date to the Comptroller to the Government of Mysore regarding procedure for taking advance from the District Boards and duly accounting for the money I have the honour to state as follows:-

I do not think there is any need at present for any loans from District Boards for financing the scheme of seed and manure supply, as we have a fairly adequate budget grant for the work. But at the same time, I consider it is very important that District Boards and other local bodies should be given opportunities to show and maintain an interest in the work of this Department. It was with this object that the practice of borrowing from the District Boards was first started, but this course is attended with certain inconveniences. As observed in the un-official note the accounts on such sale transactions on behalf of the District Boards along side of the Departmental concern would be extremely complicated, and lead to considerable confusion owing to the difficulty of adjusting profit and loss and of deciding which particular transaction is on behalf of the Board and which is purely departmental. All contributions from District Boards and other local bodies must therefore be outright charges, the grants being made for specific purposes such as

(1) defraying transport charge on sugarcane setts

(2) Purchase and free distribution of seed for green manure in respect of

63 55-26—3

Proceedings of the Government of H.H. the Maharaja of Mysore.

Read:-

Government Order No. I.C. 4889-90/A. E. 458-24-15 dated 21st January 1926, passing orders on the report of the Offg. Deputy Comptroller to Government, embodying the result of his special investigation into the Accounts of the Agricultural Department for 1923-24 and 1924-25.

2. Correspondence ending with this Office letter No. L. 6511 dated 16th April 1926 to Government, requesting him to send a final report on the advances made to the Agricultural Department by the District Boards on account of economic development work in the respective districts.

3. Letter No. R.O.C. 1818 of 1925-26 dated 21st May 1926 from the Offg. Director of Agriculture in Mysore on the subject.

4. Comptroller's Unofficial Note No. 313 dated 25th June 1926 on the same subject.

May this be
i Printed ?
ii treated as a standing order ?
iii published in the Gazette, English Part ?
iv translated ?
v placed at the disposal of the press ?
vi published in the Gazette, Kannada Part ?

Order No. L1461-78

Dated, ...26/8/.....1926.

It has been brought to the notice of Government that the contributions and advances received by the Agricultural Department from Local Bodies for Economic Development

under the following heads:-

(i) General Demonstration Work for which funds may be provided by Government also;

(ii) Sale of seeds, manure &c., either free of cost or on concessional rates.

As regards the first group, the expenditure incurred is generally out-right expenditure. Contributions received from Local Bodies for this purpose may, in his opinion, be credited to Government, the Department being permitted to incur additional expenditure to this extent. As regards the second group, the Comptroller proposes that as the value of seeds and manure supplied to ryots is mostly recoverable, the Department may operate on the provision made in the State Budget under "Advances" which may, if necessary be suitably enhanced.

3. The Director of Agriculture agrees that there is at present no need for loans from District Boards for financing the scheme of seed and manure-supply, that to avoid confusion likely to arise owing to the difficulties of adjusting profit and loss and of deciding which transaction is on behalf of the Board and which is departmental, all contributions from Local Bodies must be out-right charges, the grants being made for specific purposes. He adds that action is being taken in the matter of adjusting the loans at present held by the Department from District Boards.

4. While every effort should be made by

16

funds but should be credited to Government and treated as deduction from expenditure of the Department. When Government approve of the proposals of the Local Bodies for making such contributions to the Agricultural Department, action may also be taken for enhancing the provision in the State Budget to the extent of such contributions. The Department will be permitted to incur expenditure against such enhanced grants. The grant voted by the Legislative Council will remain unaffected.

(iii) Under this arrangement, the Government Accounts will show clearly (1) the entire amount spent in the State for development of Agriculture whether from Government funds or from funds of Local Bodies; (2) Receipts including contributions from Local Bodies which will go in reduction ~~to~~ of such expenditure and (3) the net expenditure chargeable to Government.

(iv) In the case of sale of seeds &c., to ryots either free of cost or at concessional rates at the desire of Local Bodies, their contributions will be utilized only to the extent of the loss sustained by the Agricultural Department. The value of seeds and manure purchased by the Department will be met out of the funds allotted by Government under "Advance Head" to which the sale proceeds also will be credited. The contribution by Local Bodies on account of loss sustained in the transaction will have

17

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. L. 1461-78—L. B. 55-26-3, dated 26th August 1926.

Accounting of Contributions by Local Bodies to the Agricultural Department.

Issues instructions *re* —— for Economic Development Work.

READ—

Government Order No. I. C. 4889-90—A. E. 458-24-15, dated 21st January 1926, passing orders on the report of the Offg. Deputy Comptroller to Government, embodying the result of his special investigation into the Accounts of the Agricultural Department for 1923-24 and 1924-25.

2. Correspondence ending with this office letter No. L. 6511, dated 16th April 1926, to the Comptroller to Government, requesting him to send a final report on the advances made to the Agricultural Department by the District Boards on account of economic development work in the respective districts.

3. Letter No R. O C. 1818 of 1925-26, dated 21st May 1926, from the Offg. Director of Agriculture in Mysore on the subject.

4. Comptroller's Un-official Note No. 313, dated 25th June 1926, on the same subject.

ORDER No. L. 1461-78—L. B. 55-26-3, DATED 26TH AUGUST 1926.

It has been brought to the notice of Government, that the contributions and advances received by the Agricultural Department from Local Bodies for Economic Development Work are being mixed up with Government funds and no separate account in proper form is maintained or rendered by the department, either to the Comptroller or to the Local Bodies, in respect of expenditure incurred from the funds supplied by these bodies. The present system under which these transactions are subjected only to Local Audit long after the period to which they relate, does not admit of an effective control being exercised over the moneys provided by Local Bodies being utilised for the purposes intended.

2. The question of devising a satisfactory method of accounting of these transactions has been under consideration. The Comptroller is of opinion that the Agricultural Department need not be allowed to have two different accounts to operate upon;

(i) one on behalf of Government, for which detailed accounts are rendered to the Comptroller and

(ii) another account on behalf of the District Board and Municipalities the transactions relating to which are not under the present arrangements susceptible of audit in the Central Office.

He states that the opening of a Deposit Account for such purposes will lead to the mixing up of the two sets of transactions.

He observed that the loans now obtained from District Boards are being treated like permanent advances and that the maintenance of two separate imprest accounts is causing a good deal of confusion which is avoidable.